

Memorandum

Date :
To : 1. David Gutierrez, Deputy Director
2. Lester Snow, Director
From : George Qualley, Chief
Division of Flood Management *George Qualley*
Department of Water Resources
Subject : Flood Protection Corridor Program 2008 Competitive Grant Proposal
Evaluations and Recommendations for Funding from Proposition 84

This is to request your approval of the evaluation and ranking of 23 proposals for competitive grants to be funded through the Flood Protection Corridor Program (FPCP), using funds from Section 75032.5 of the Proposition 84 bond act passed in November 2006. The project evaluations, ranking and a recommendation as to funding amount for each project was completed by the FPCP Project Evaluation Team and management staff from the Division of Flood Management. The 23 proposals seek a total of \$74.2 million in grant funding, while the FPCP has Proposition 84 allocable funding in the amount of \$24 million for this funding cycle. The Evaluation Team has ranked the projects and prioritized them with respect to flood risk reduction benefits, wildlife habitat and agricultural land conservation, and other miscellaneous benefits. Additionally, DFM management staff has reviewed the projects for consistency with the FloodSAFE California strategic plan and DFM's goals for systematically addressing flood risks throughout the state. The recommendations include funding levels for the priority projects. These evaluations, rankings, and recommendations have been formulated in conformance to the FPCP Grant Program Guidelines for the Allocation and Use of Proposition 84 Section 75032.5 Funds.

Pursuant to these guidelines, your approval is requested for the list of priority projects to be assigned to the "A" List (the list of projects to be funded first), and the remaining fundable projects that did not receive funding from this funding cycle that make up the "B" List as specified in Section 6 of the FPCP Proposition 84 competitive grant guidelines. The attached appendices describe the location, project sponsors, and project elements for the "A" List and "B" List projects as well as a list of proposals that were submitted for review that cannot be funded at this time because there are funding gaps that make it uncertain that the project could be completed, and a list of projects whose benefits were determined through the evaluation process to be insufficient to meet the minimum threshold for funding because the projects did not meet the minimum required score for flood protection, agricultural land conservation, habitat conservation, or miscellaneous benefits. An index of the attachments is contained in Tab A behind this memorandum

The "A" List projects and their recommended funding level include:

1. City of St. Helena Flood Protection and Flood Corridor Restoration Project, \$3,100,000.
2. Middle Creek Flood Damage Reduction and Ecosystem Restoration Project, Phase II, \$2,500,000.
3. Dos Rios Ranch Acquisition, \$3,000,000.
4. Ecosystem Restoration and Floodwater Attenuation Project, San Joaquin River, \$3,171,344.
5. Knaggs Ranch Acquisition, \$5,000,000.
6. Virginia Colony Flood Storage and Habitat Enhancement Project, \$1,000,000.
7. Hanson El Monte Pond: A Flood Control, Recharge, Habitat Restoration Project – Phase One, \$3,228,656.
8. Alamo Creek Detention Basin, \$3,000,000.

Your approval signature at the end of this memorandum will also authorize FPCP staff to encumber \$24 million from Fund 6051L32008, Fund Center 3860301001001600 pending execution of funding agreements for each of the "A" List projects. Pursuant to Section 3 (k) and Section 8 of the guidelines, your approval is also requested to hold public hearings to consider funding the projects on the "A" List in the amounts recommended by DFM management staff. The recommended funding levels are in some cases less than the amounts requested by the project sponsor. Partial funding of some of the projects (i.e., providing less funding than was requested) allows available funds to be directed to the activities most closely aligned with the purposes and goals of the FPCP, and to spread the funds to a greater number of projects. The formal decision whether to fund each individual project will be finalized at the time a funding agreement for each project is presented for your signature. There must also be a public hearing on each project before funds are released.

All of the reviewed project proposals were submitted to DWR on or before November 2, 2007, in response to a solicitation for proposals distributed August 28, 2007. All of the projects were evaluated for effectiveness in fulfilling the purposes of the FPCP. These purposes are: to implement primarily nonstructural solutions to reduce or manage flood risk; to preserve or enhance wildlife habitat in floodplains, conveyance channels, and adjacent uplands; and to conserve agricultural land. Project Evaluation Team members who ranked the proposals represent the Department of Water Resources, the Governor's Office of Emergency Services, the Department of Fish and Game, the Department of Conservation, and the Department of Food and Agriculture. Scoring criteria for project ranking purposes are contained on the grant application form in the FPCP competitive grant regulations. A list of Project Evaluation Team members is attached.

Subsequent to the evaluation and scoring of the proposals by the Project Evaluation Team, review and input to the staff recommendations were provided by DFM management (Rod Mayer, George Qualley, Keith Swanson, Noel Lerner, Eric Koch, Dale Hoffman-Floerke, Chief of Colorado River and Salton Sea Office, Tracie Billington, Chief of Special Projects Section and Deputy Director David Gutierrez. Staff and management met four times, on March 12, 18, 27, and April 11, 2008, to supplement the work of the Project Evaluation Team with the resolution of policy issues pertaining to the funding recommendations. The "A" List and "B" List represent Management Team consensus on the policy issues discussed and recommendations as to funding amounts for the individual proposals.

After conceptual and field review all proposals were categorized into one of four groups. All of the projects on the "A" and "B" lists provide flood management benefits and either wildlife conservation benefits or agricultural land conservation benefits, or both. They are spread geographically throughout California from Lake County in the north to San Diego County in the south.

With the available FPCP funding of \$24 million, 8 projects can be funded. If the 8 proposed projects are funded as recommended, project implementation would result in conservation of 3,400 acres of wildlife habitat not currently protected including habitat improvement on 1,785 acres, and conservation of approximately 500 acres of agricultural land not currently protected. These wildlife habitat and agricultural land conservation benefits are in addition to the projects' anticipated flood management benefits.

Although approval of the preferred priority list of projects can move forward at this time, a public hearing must be held in the vicinity of each project before funding can be released. Additionally, an effort will be made to acquire concurrence from the California Department of Fish and Game that the selected projects with habitat benefits are considered priority projects from their perspective and from the California Department of Conservation that the agricultural projects are priority projects from their perspective. All the projects recommended for funding provide significant habitat and or agricultural benefits and evidenced by their scores in the competitive evaluation, as each received at least 50 percent of the available points for habitat and/or agricultural land conservation, depending on which was applicable to the project.

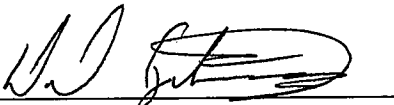
After the public hearings have been held for each "A" List project, if significant adverse public opposition to any of the projects is raised and resolution cannot be reached for specific projects, staff may reconsider our recommendation to fund any or all of those projects. Depending on the nature of public response (support or opposition), a request for final approval of those projects recommended for funding will be sent to you with funding agreements to allow the projects to proceed and FPCP local assistance funds to be disbursed, subject to the availability of appropriated funds.

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If you have any questions, please contact Earl Nelson, FPCP Manager, at (916) 574-1244 or you may contact David Martasian, Senior Environmental Scientist for DFM's Corridor Grants Unit, at (916) 574-0360.

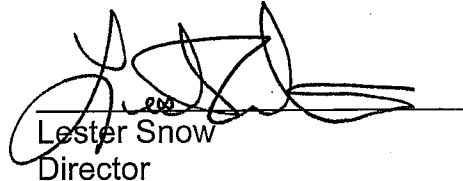
APPROVAL RECOMMENDED:



David Gutierrez
Deputy Director

Date 5/12/08

APPROVED:



Lester Snow
Director

Date 5/12/08